



**SPECIALTY DOCS DECRY MEDPAC VOTE TO CUT PROVIDER
REIMBURSEMENTS TO PAY FOR SGR REFORM**
Concerns About Patient Access Remain

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Washington, DC – The Alliance of Specialty Medicine soundly rejected the Medicare Payment Advisory Commission’s (MedPAC’s) recommendation that Congress repeal Medicare’s Sustainable Growth Rate (SGR) formula by reducing reimbursements to specialists by 5.9% per year for three years, while freezing the reimbursement rate for primary care physicians.

“I am baffled”, remarked Dr. Alex Valadka, a neurosurgeon from Austin, TX and spokesperson for the Alliance. “It’s as if MedPAC sees no linkage between Medicare reimbursement and access to care for patients.”

MedPAC’s proposal was unveiled last month with recommended offsets. Under the proposal, Congress would repeal the SGR and replace it with a ten-year path of statutory updates. Primary care services’ reimbursement rates would be frozen over the next ten years and all other services would be reduced by 5.9% per year for three years and then followed by a freeze in reimbursement rates for the remaining seven years.

The Alliance responded in a [letter](#) to MedPAC Chairman Glenn Hackbarth, noting physician payment increases have already been limited over the last ten years due to hurried Congressional “fixes” to the failed SGR as well as additional cuts imposed by the Medicare Program. These actions have resulted in physician payment rates that do not cover the increasing costs of practicing medicine. Another 18 percent cut to specialty medicine for the coming three years and a 10-year freeze for primary care services will only exacerbate this problem. Instead, the Alliance believes the cost of eliminating the SGR should be viewed as a societal cost and other Medicare providers and/or programs outside of Medicare should share in the cost of the offset. Several other physician organizations, including those from primary care, had also protested the MedPAC proposal. Yet MedPAC offered no changes to its original plan before the final vote.

The MedPAC proposal will now be sent on to Congress, where its recommendations surely will be among the several choices the Joint Select Committee on Deficit Reduction will review.

“It’s very disappointing to see an organization like MedPAC simply shrug its shoulders and approve such a terrible plan,” Valadka continued. “Their recommendation flies in the face of the realities the physician community is facing every day as it tries to provide care to Medicare patients.”